

DATE

TRANSMITTAL SLIP

25 March 88

TO:

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ROOM NO.

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REMARKS:

FROM:

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FORM NO.

1 FEB 88 241

REPLACES FORM 36-8

WHICH MAY BE USED

(47)

~~SECRET~~

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #00177-88/6
24 March 1988

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Acting Chairman, National Intelligence Council

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: SNIE 56-88: The Philippines: Problems and Prospects for the Aquino Government

1. Attached is a reorganized draft of SNIE 56-88: The Philippines: Problems and Prospects for the Aquino Government. It represents a substantial revision from the previous draft and includes many of the suggestions you made. The new organization is as follows:

The Good News.....
The Bad News.....
The Bottom Line.....
 The Next Four Years: A Series of Ups and Downs....
 Downhill Slide--Not to be Dismissed Lightly.....
 A Brighter--But Not Very Likely--Scenario.....
Improvements That Could Alter Our Assessment.....
Implications for the United States.....

2. The specific changes include:

- Material from throughout the text that reflects the accomplishments of the Philippines has been drawn together under a first section which is titled The Good News. In addition, several new paragraphs on the economy have been drafted for this section.
- Because there was no shortage of material for The Bad News section, I have blended much of the material from the former Hurdles Blocking the Way section into the discussion of Improvements that Could Alter our Assessment. In so doing, I believe that the material is no longer merely presented as problems, but is now more positive--actions required--while not being policy prescriptive.

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-- The Bottom Line, and the Implications for the United States sections remain unchanged.

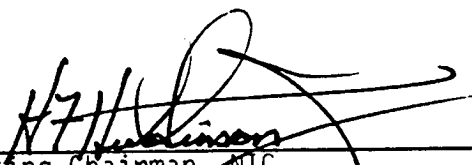
-- The restructuring has reduced the size of the estimate by 14 pages.

3. None of the judgments have changed. Therefore, although I have made substantial changes to the structure of the paper, I will not recoordinate it. Instead, with your approval, I will meet with the Community's Representatives for a "clean up" session in order to get the Estimate ready for consideration by NFIB on 31 March.



Carl W. Ford, Jr.


CONCUR:



Acting Chairman, NIC

Date

APPROVE:



Deputy Director of Central Intelligence

24 MAR 1988

Date

Carl - a big improvement.
I think this does the trick.
The opportunities section is
much more general - are
you saving specific suggestions
for DCI memos?

Rg. 24 Mar 88

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NIC #00000-88/0

24 March 1988

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Acting Chairman, National Intelligence Council

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: SNIE 56-88: The Philippines: Problems and Prospects for
the Aquino Government

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Executive Registry

1222-88

21 March 1988

MEMORANDUM FOR: National Intelligence Officer for East Asia

FROM: Deputy Director of Central Intelligence

SUBJECT: SNIE 56-88: The Philippines: Problems and Prospects for the Aquino Government

1. By the time this estimate is over you will never want to hear the word "Philippines" again.

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2. I think we're getting there, but I believe the draft needs more work. I think that the approach can be simplified, and I agree with the SRP that some additional facts are in order. I think a restructuring does not require a great deal of new text. It seems to me that the estimate would be most helpful to the policymaker if it were structured along the lines of (I.) Good News, (II.) Bad News, (III.) Opportunities for External Influence. Under Good News, I would include sections on the President and leadership, democratization, the economy, and military reforms. There is a good deal of text on each of these in the paper that could be succinctly presented. The only major place for new text would be on the economy where I think several paragraphs are required on those aspects of the macroeconomic situation that place the Philippines currently in a relatively strong position -- e.g., things such as a rising level of foreign investment, an improved situation in the foreign reserves, the growth rate, and I'm sure there are some others. Positive aspects of each of the other developments could be described fairly succinctly.

25X1

3. With respect to Bad News, one would have to lead off with the section on counterinsurgency but then add to that short sections on underlying problems in each of the areas described under "Good News" -- problems of the rural economy, shortcomings of leadership below Aquino, the restoration of some of the oligarchy in the context of democratization and the persisting unhappiness in some parts of the military. I think

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Cl By Signer
DECL OADR

that all can be presented very succinctly. In this section you could also describe some of the additional problems discussed in the present section on "Hurdles Blocking the Way". [redacted] 25X1

4. I think a third section could then be devoted to those areas where we think the government ought to be taking action and where external influence from the United States and others could be productive. I think the way you have done the section on Opportunities beginning on page 33 is well done and not particularly policy prescriptive. I would think there are other things that could be added to that however. [redacted] 25X1

5. Finally, I think we have the chance here to respond to the Secretary of State's continuing unhappiness at our consistently presenting him with problems and no help in terms of what to do. I suggest that during the time this restructuring is being redone, presumably by one person in the DI or in your office that you begin work on a draft memorandum that the Director could send to the Secretaries of State and Defense and the National Security Advisor that would be more specifically policy prescriptive. I envision this memorandum accompanying the estimate. It would start off saying that this is a situation where the Secretary of State's interest in "Opportunities Intelligence" does present itself but rather than risk any hint of the estimate itself being policy prescriptive or suggesting policies, he would take the opportunity to present to these three officials some specific ideas that emerged in the course of the preparation and coordination of the estimate where the US could exercise a positive influence in the Philippines and areas where we specifically could target both our advice and our assistance. I would then have a number of very succinct ticks, not more than a few lines each, that go through this and give the policymakers some ideas where they could act. [redacted] 25X1

6. I believe that the restructuring that I have described could be accomplished in a few days. In fact, I think it would be a mistake to allow any more than that. Very little new text is needed except on the macro aspects of the economy and the rest is essentially a cutting and pasting job with some transitional paragraphs. I believe the restructuring is needed, however, because at present the estimate would seem to a policymaker, in my view, highly unfocused. Simultaneously, as presently structured, it would immediately be offputting to State (which is after all the principal action agency here) because it would appear at first blush to be very pessimistic. By highlighting the achievements at the beginning you not only present a factual basis for the ensuing discussion but you give credibility to the balance of the estimate. On reflection, you might want to go ahead and incorporate a significant part of the Outlook Section as the third part of the estimate, then followed by a section on opportunities for the United States. [redacted] 25X1

7. With regard to the SRP comments, I agree with their paragraph 4 and particularly the frequency of references to "our concerns," "we are concerned," "we are encouraged," "we believe," "we are disappointed," and so forth. Intelligence estimates are not "encouraged," "disappointed," or "happy". One of the virtues of Section I and Section II will be that we can highlight things that "we know". I'm inclined to agree with you that for this estimate to be valuable, we cannot get into an enormous amount of detail about the tenancy situation, Mrs. Aquino's relatives, areas controlled by the insurgents and so forth. Nonetheless, you might look at some boxes that compare economic performance, for example, with that in the last year of Marcos' regime and perhaps ten years ago. [redacted]

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8. I think that with this kind of restructuring, this estimate could perhaps be a third shorter than it is now, much tighter and much more directly focused on the concerns of the department. [redacted]

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9. I can imagine your frustration at the prospect of yet another draft. Nevertheless, I believe that the restructuring as suggested above would be relatively easy, preserve most of what has already been done, and could be done in a very short period of time. Indeed, I think you would be letting yourself in for more work and more annoyance than necessary if you contemplated a deadline any later than 25 March. Needless to say, if you and Dave or Fred want to discuss this further, just let me know. [redacted]

25X1

Rf
Robert M. Gates

cc: AC/NIC
VC/NIC